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**Testimony before the Commerce Committee**  
**Submitted by Ned Hammond, Economic Development Coordinator**  
**City of New London, Connecticut**  
**February 17, 2011**

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Good afternoon Senator LeBeau, Representative Berger, and Members of the Committee:

My name is Ned Hammond and I am the Economic Development Coordinator for the City of New London. I am here today to testify in support of Raised House Bill No. 6317, an Act Appropriating Funds for the Connecticut Cruise Ship Task Force.

"A store full of people with merchandise in their hands."

"My jewelers did phenomenal."

"Can we have one ship per week?"

"Our volunteers love to talk about local history."

These are just a few comments of some of the small business owners and museum directors in downtown New London when I asked them how the cruise ship visits impacted their respective businesses. They speak of these visits with genuine excitement, noting that there is a different energy on cruise days. They will tell you how great it is to have a "boatload" of customers in their store, but also how great it is for the local artisans whose handiwork are some of the more popular items sold from their stores.

And this is an important point. A single retailer in downtown New London may be selling the art and craftworks of several local Connecticut artists. Almost any locally-made item sells, from sea glass jewelry made with locally-found sea glass by an artist from Groton to paintings and drawings of New London-area lighthouses from artists across southeastern Connecticut.

Not only are the livelihoods of many small businesses and local artisans supported by the cruise ship visits, but merchandise handmade in Connecticut is being sold to people from across the United States and many foreign countries, as well. Thus providing another means of promoting Connecticut to the national and international community.

Included as an attachment to this testimony is the Executive Summary of a report entitled *Impact of Cruise Ship Passengers on Local Merchants in New London, CT*. This report was done by Mitchell College students in the fall of 2007. It is summed up by stating, "Overall, the findings suggest that respondents would encourage regular and more frequent visits to New London,

believing them to be beneficial to the economic growth and vitality of the downtown district." The entire report is 39 pages and I would be happy to provide it upon request.

To conclude my testimony, over the last eight years or so I have volunteered for nearly every cruise ship visit, and I would like to make some bullet point observations noting the regional aspect to the cruise ship visits.

- A majority of the passengers visit the shops, museums, and galleries in downtown New London, but a large number of passengers also visit Mystic, particularly Mystic Seaport, Essex, the Nautilus and Submarine Force Museum in Groton, and the United States Coast Guard Academy and Fort Trumbull State Park in New London.
- Some cruise ships have over 1,000 crew members. Buses have been provided to take them and passengers, if they choose, to the shopping malls in nearby Waterford. Having been on these bus excursions, I can attest that the crew spends a lot of money on mall merchandise, particularly electronics.
- On cruise ship day all of the local taxi services are in full force going non-stop driving passengers and crew to a wide variety of destinations throughout southeastern Connecticut.
- The volunteer effort is commendable. As many as 60 or more volunteers from many area towns contribute their time to make the passengers' visit a memorable one. This number does not include the many volunteers who staff the local museums during these visits.

Thank you for the opportunity to speak on this bill. Please do not hesitate to contact me with questions.

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## Impact of Cruise Ship Passengers on Local Merchants in New London, CT

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Data compiled by the students of BU310A; Fall, 2007

January 28, 2008

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*Executive Summary*

- This study was initiated by the city of New London to assess the impact of cruise ship passengers on local merchants' business operations in New London, Connecticut. In 2007, New London hosted seven cruise ship visits, carrying more than 20,000 passengers and crew members. Eight more are expected during the 2008 cruise season - typically defined as occurring between the months of May through November. The analysis in this report is based on exploratory surveys conducted among downtown New London business merchants in November of 2007. The objective was to assess -- from the merchants' perspective -- whether the addition of cruise ships provided local economic benefits directly to the business operators in the downtown area.
- Participating local merchants returned results indicating that the cruise ships docking in New London are a welcome tourist addition to the city. An overwhelming 96.4 percent of merchants responded they were interested in having more cruise ship visits to New London, indicating strong support from the local business community.
- Additionally, 51.9 percent of those surveyed are willing to make adjustments to their business operations to accommodate cruise ship tourists by posting new/more signage, investing in additional promotions and advertising, and increasing their overall hours of operation. Sixty-three percent of merchants are willing to stock additional/specific items that may appeal to CSPs (cruise ship passengers). However, almost 19 percent of respondents reported no intention of making any changes. It is worth noting that within the sample, there are business types that may not directly benefit from CSP visits as these product/service types are not conducive to tourism impulse purchase patterns (wine store, frame shop, comics, for example).
- 27.6 percent of survey respondents cited a "significant" (greater than 15%) increase in sales revenue during the CSP visits; while a total of 75.8 percent reported revenue increases ranging from "slight" (1-10% increase) to significant (greater than 15% increase).
- Overall, merchants reported a positive impact (Top 2 Combined, "somewhat" and "very positive") ranging from 64 percent to as high as 84 percent on key dimensions of increased sales, browsing, foot traffic and business awareness.
  - 82.1 percent responded positively (top 2 choices; very and somewhat positive) in terms of increase in store traffic;

- 64.3 percent responded positively in terms of increases in browsing only
  - 79.3 percent responded positively in terms of increases in sales revenues;
  - 84.0 percent responded positively in terms of increases in awareness of their business
- Merchants cited small souvenirs, unique keepsakes, jewelry, local artists' work, post cards and "New London spoons" as items most sought by CSPs. Increases in food and beverages were naturally reported by restaurants/bars.
- We asked merchants to consider additional support efforts from the city on several dimensions, and requested they rank what they considered to be "very important" to them for future visits. "Improving aesthetics; clean streets and sidewalks, flower boxes, landscaping and lighting" was rated as "very important" by 66.7 percent of survey respondents, followed by "Improve Information Center" and "Schedule Events" simultaneously on arrival dates to bring more activity to the area overall (53.8 percent and 51.9 percent, respectively).
- Overall, the findings suggest that respondents would encourage regular and more frequent visits to New London, believing them to be beneficial to the economic growth and vitality of the downtown district. Further evaluation is most likely required to examine the issues of economic development and planning, positioning and marketing the city to the tourism market segment, requirements for infrastructure investment and identifying sources for funding.